FILED

AUG 2 2 2007

SECRETARY, BOARD OF OIL, GAS & MINING

BEFORE THE BOARD OF OIL, GAS, AND MINING DEPARTMENT OF NATURAL RESOURCES STATE OF UTAH

In the Matter of the Request for Agency Action by

Penney's Gemstones, David L. Penney,

Petitioner,

For Review of the Division's Cessation Orders and Assessment of Penalties, Sliver 1-2 Mine, Beaver County, and Little Spot Mine, Millard County PROPOSED ORDER

Cause Nos. S/027/024 – Little Spot S/001/035 – Sliver 1-2

Docket No. 2007-002

Pursuant to a stipulated settlement between Penney's Gemstones, L.L.C., petitioner, and the Utah Division of Oil, Gas and Mining, Respondent, the Utah Board of Oil, Gas and Mining hereby enters its order fully disposing of the above-titled matters.

- In Cause No. S/027/024, the request of Penney's Gemstones to withdraw its
 request for agency action to review the Division's Cessation Order and
 Assessment of Penalties as to the Little Spot Mine is hereby GRANTED.
- In Cause No. S/001/035, the Division's Cessation Order and Assessment of
 Penalties is HEREBY VACATED effective January 17, 2008 UNLESS the
 Division notifies the Board on or before January 10, 2008 that the terms of the
 Stipulated Settlement have not been satisfied.
- 3. In Cause No. S/001/035, the Division is HEREBY ORDERED to return to Penney's Gemstones the \$550 in penalties deposited with the Division in

connection with the Cessation Order UNLESS the Division notifies the Board on or before January 10, 2008 that the terms of the Stipulated Settlement have not been satisfied.

DATED this 22 day of August, 2007.

STATE OF UTAH BOARD OF OIL, GAS, AND MINING

Douglas E. Johnson

Chairman

CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the foregoing ORDER to be mailed, postage prepaid, this 24th day of August, 2007 to the following:

Brent A. Bohman, Esq. P.O. Box 120 Morgan, UT 84050 Attorney for Petitioner Penney's Gemstones

David L. Penney P.O. Box 312 Beaver, UT 84713

James P. Allen, Esq.
Utah Attorney General's Office
1594 West North Temple #300
Salt Lake City, UT 84116
Attorney for Respondent Utah
Division of Oil, Gas and Mining

Michael S. Johnson Utah Attorney General's Office 1594 West North Temple #300 Salt Lake City, UT 84116 Attorney for Board of Oil, Gas and Mining

Diane Holland